AMENDMENTS TO THE SPECIFICATION

Please amend Paragraph 2 as follows:

[0002]   This application also relates to co-pending U.S. Patent Application Serial No. 10/600,026 ~~(attorney docket no. 2626P)~~, entitled "Method and System for Improving the Liquidity of Transactions," filed on ~~even date herewith~~June 19, 2003; co-pending U.S. Patent Application Serial No. 10/601,173 ~~(attorney docket no. 2700P)~~, entitled "Method and System for Utilizing a Special Purpose Vehicle for Improving the Liquidity of Transactions," filed on June 19, 2003~~even date herewith~~; and co-pending U.S. Patent Application Serial No. 10/600,903 ~~(attorney docket no. 2701P)~~, entitled "Method and System for Managing Credit-related and Exchange Rate-related Risk," filed on ~~even date herewith~~June 19, 2003.

Please amend Paragraph 57 as follows:

[0057]   Put in another way, if a market organizer (or anyone else) buys just Cx1, it will be taking some contract risk depending on whether x1 occurs or not. However, if the organizer buys or sells a complete set at price SV, the organizer will not be taking any contract risk because the two are equivalent. Thus, the organizer can buy and sell complete sets for other purposes, for example to increase the liquidity of the market or reduce credit risk. For further examples of how this can be accomplished, see co-pending U.S. Patent Application Serial No. 10/601,173 ~~(attorney docket no. 2700P)~~, entitled "Method and System for Utilizing a Special Purpose Vehicle for Improving the Liquidity of Transactions," filed on ~~even date herewith~~June 19, 2003; and co-pending U.S. Patent Application Serial No. 10/600,903 ~~(attorney docket no.~~

2701P), entitled "Method and System for Managing Credit-related and Exchange Rate-related Risk," filed on ~~June 19, 2003~~even date herewith.

Please amend Paragraph 58 as follows:

[0058]   The discussion thus far has also neglected certain other effects. For example, the time value of money has not been factored into the discussion. A payoff of $100 that occurs a year from now (e.g., when the underlying event is resolved) is not really worth $100 today. The discussion also does not account for transaction costs. However, these and other factors can be handled using conventional techniques. Standard present value concepts can be used to account for the time value of money, allowing direct comparison of dollar figures. For example, Eqn. 1B states that the fair market price of a complete set should be the settlement value. However, if the payoff will occur one year from now, then, more precisely, the fair market price today of a complete set should be the settlement value, as measured in dollars one year from now, discounted by the annual interest rate. Or if the equation is cast in future dollars, then the fair market price today of a complete set, after interest for a year, should be equal to the settlement value, measured in future dollars. Similarly, amounts can be adjusted up or down, as necessary, in order to account for transaction costs, profit or other effects. For example, if a minimum profit Z is required, then the sum of the prices of the contracts in the complete set should be (SV-Z) or lower to yield profit Z for the buyer, or (SV+Z) or higher to yield profit Z for the seller. In the interest of clarity, all examples will continue to neglect these factors, with the understanding that they can be handled using conventional techniques. For further examples and discussion, see co-pending U.S. Patent Application Serial No. 10/600,026 ~~(attorney docket no. 2626P)~~, entitled "Method and System for Improving the Liquidity of Transactions," filed on June 19,

2003~~even date herewith~~; co-pending U.S. Patent Application Serial No. <u>10/601,173</u>~~(attorney docket no. 2700P)~~, entitled "Method and System for Utilizing a Special Purpose Vehicle for Improving the Liquidity of Transactions," filed on <u>June 19, 2003</u>~~even date herewith~~; and co-pending U.S. Patent Application Serial No. <u>10/600,903</u>~~(attorney docket no. 2701P)~~, entitled "Method and System for Managing Credit-related and Exchange Rate-related Risk," filed on <u>June 19, 2003</u>~~even date herewith~~; all of which are incorporated by reference herein. Note that in these referenced patent applications, the term "initial settlement value" is used to refer to the settlement value when the events occur (i.e., when the contracts mature) and "settlement value" is used to refer to other time frames, so that time discounting may be required to equate the current settlement value with the initial settlement value.

Please amend Paragraph 68 as follows:

[0068]   The above are merely examples. For further examples of how to select a set of basic units, see co-pending U.S. Patent Application Serial No. <u>10/600,026</u>~~(attorney docket no. 2626P)~~, entitled "Method and System for Improving the Liquidity of Transactions," filed on ~~even date herewith~~<u>June 19, 2003</u> and incorporated by reference.

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